



The President's Daily Brief

8 June 1973

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

In South Vietnam, there is fresh fighting as both sides are trying to consolidate their control over territory. (Page 1)

President Thieu's Democracy Party has scored impressively in South Vietnamese village council elections. (Page 2)

Foreign Minister Zayyat has hinted that there may be some give in Egypt's position on negotiations with Israel. (Page 3)

South Africa is going into the business of uranium enrichment. (Page 4)

A North Vietnamese infiltration group has left for Laos. (Page 5)

Khmer Communists are having difficulty coordinating their attacks near Phnom Penh. (Page 5)

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SOUTH VIETNAM

There has been an increase in local military actions as both sides move to consolidate positions before a possible delineation of territorial control.

Activity is greatest in the delta provinces, where Communist and South Vietnamese forces are vying for control over portions of long-time enemy bases. North Vietnamese forces roughly handled a government Ranger battalion in a contested area near the provincial capital of Chuong Thien on June 5, and sporadic clashes are continuing. Farther north, South Vietnamese regulars have established a presence in a Viet Cong base area in the Kien Tuong - Dinh Tuong border region following several days of stiff Communist resistance.

North of Saigon, government efforts to reopen Route 13 between Lai Khe and An Loc have made limited progress. South Vietnamese military analysts are concerned that the Communists might counter with an attack against or near Tay Ninh City within the next few days.

The Communist "land grab" attacks in key areas, plans for which have been reported by a number of sources, have not yet materialized. The delay is presumably related to the status of the talks in Paris.

Little significant ground action has been reported in the northern half of the country, but Communist shellings have increased somewhat. North Vietnamese gunners continue to direct artillery and rocket fire against government clearing efforts in Kontum Province. Communist mortar barrages and some ground attacks have occurred along the coast as well as west of Hue.

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SOUTH VIETNAM

The Thieu government is continuing its efforts to strengthen its administrative control at the grass roots level. Village council elections are proceeding throughout the country and President Thieu's Democracy Party has generally scored impressive victories. In some 200 elections held in the Mekong Delta, Democracy Party members won about 80 percent of the contests.

The party is undoubtedly benefiting from the pro-government sentiment since the cease-fire. In addition, the tight control exercised by local officials has led numerous independents and opposition politicians to refuse to run. A few elections have been postponed, either because there were not enough candidates on the ballot or because officials believed that Viet Cong influence was too strong.

Political figures outside the government have generally reacted mildly to the Democracy Party's successes. Some leaders of independent parties that have lost members to Thieu's new grouping are unconcerned because they believe the winners will remain loyal to their original parties. For his part, Thieu presumably believes that the need to strengthen the government's position at the local level is worth the risk of antagonizing his opponents.

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EGYPT

Egyptian Foreign Minister Zayyat, during Wednesday's UN debate, said that Egypt would agree to direct negotiations with Israel without preconditions, were it not for Israel's rejection of a total withdrawal from the occupied territories. Since the speech, Egyptian representatives at the UN have been urging US diplomats not to read too much into Zayyat's statement.

One way to read the statement would be that it could indicate some give in Egypt's position. The statement did not appear in the prepared text of the speech, but was added by Zayyat himself prior to delivery.

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However, the careful hedging of Zayyat's words and the cautionary remarks made by Egypt's delegates to the UN indicate that the Egyptians at this point do not want to be considered as committed to direct negotiations under any formula. Indeed, qualified as it was, Zayyat's statement could have been intended merely to back up his contention that Israel is obstructing movement toward a settlement.

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SOUTH AFRICA

The government recently announced plans to begin work on a commercial-sized uranium enrichment plant. The plant is scheduled for completion in the early 1980s at a cost of about \$785 million, and would employ a still secret process that South Africa claims is unique. Pretoria has had little success in its search for financial assistance from other countries for the construction of the plant because of its unwillingness to give out any information about the new process.

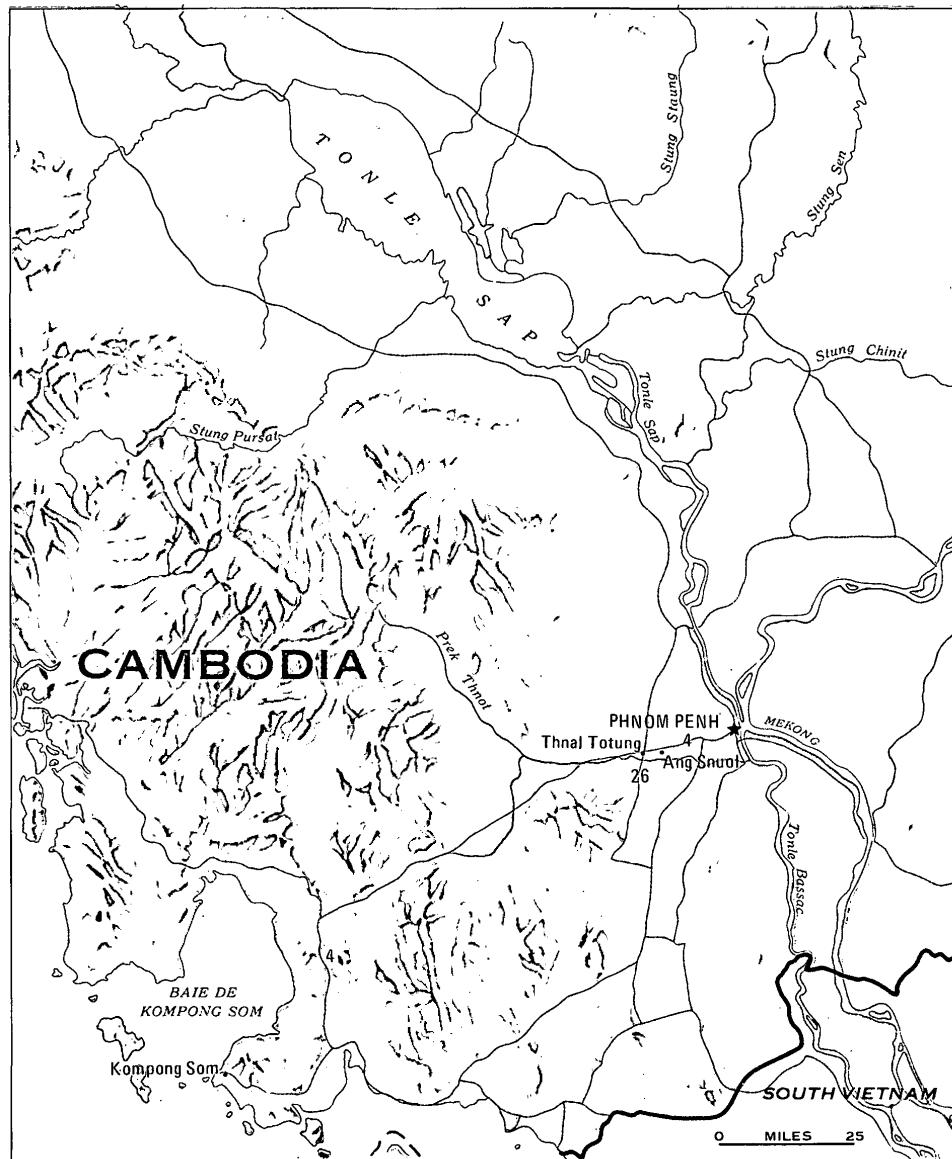
The South Africans claim that the new method will be competitive with those already in use by other countries; analysis of their data would suggest a selling price of about \$36.60 per unit, as opposed to the US price of \$38.50.

The economic advantages claimed by the South Africans for their process seem primarily to be based on low capital, maintenance, and power costs. A plant of comparable capacity based on US technology would cost more than \$1 billion, for example.

South Africa does not now produce enough uranium to operate the proposed plant at capacity, but deposits in South-West Africa should ensure an adequate supply by the time the plant is built. The country's entry into the enrichment market would ease an anticipated world shortage of enrichment capacity in the 1980s.

A pilot uranium enrichment plant being built near Pretoria since 1970 is now nearing completion.

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NOTES

Laos: An intercept indicates that an infiltration group of unknown size was scheduled to leave North Vietnam for the Plaine des Jarres area yesterday. This is the first group noted leaving for northern Laos since last November, but its group designation number suggests that several more have already departed undetected.

Cambodia: Khmer Communist forces are maintaining pressure some 12 miles west of Phnom Penh against a short stretch of Route 4 between the villages of Thnal Totung and Ang Snuol. A few miles south of Thnal Totung, Communist troops have cut Route 26. An intercept indicates that the Khmer Communists are having difficulty coordinating their attacks in the vicinity of Route 4, and that some units assigned to the operation are still not in place. A Mekong resupply convoy arrived safely in Phnom Penh yesterday, encountering only minor harassing fire in its passage up the river from South Vietnam.

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